



Committee on Government Reform

CONGRESSMAN TOM DAVIS, CHAIRMAN

May 2004

Spotlight on Reform

A Monthly Communications Memorandum on
Government Reform Committee Agenda and Accomplishments

Washington, D.C. – The House Government Reform Committee, led by Chairman Tom Davis, continues to attack the problems that plague our government and prevent it from operating at the highest level of efficiency and effectiveness. The U.S. taxpayer deserves nothing less.

Leveling the Playing Field for D.C. Students, Civil Servants

On April 1st, the Committee conducted a business meeting to mark up H.R. 4012, The District of Columbia College Access Reauthorization Act of 2004; H.R. 3737, The Pay Compression Relief Act of 2004; and H.R. 3751, which seeks to improve dental, vision and hearing insurance coverage for federal employees and retirees. The College Access Act allows D.C. students to attend public colleges and universities anywhere in the country at in-state tuition rates. The Pay Compression Act applies to administrative law judges (ALJs), members of contract appeals boards, and certain senior level

employees outside the Senior Executive Service, many of whom are now ineligible for pay raises because they are at or near the statutory cap on federal compensation.

Need for Continuity Continues

After the spring recess, the Committee returned to an April 22nd hearing on Continuity of Operations (COOP) planning within the federal government. Continuity of operations – ensuring the government can perform essential functions in an emergency situation – has become a critical issue in light of heightened terrorist threats.

A recent GAO report painted a disturbing picture of a federal government that may not be able to remain fully functional in the event of a severe natural disaster, terrorist attack, or other emergency. The Committee heard from GAO on the details of its study and from FEMA on the criticisms surrounding the lack of COOP planning within the federal government. Given the realities of the

post-9/11 world, the government has to be better prepared.

Justice in the Nation's Capital

On April 23rd, the Committee held a hearing on the District of Columbia's judicial system. The hearing focused on general court management issues, with specific emphasis on the Family Court and Probate Court. These are the two courts that most often handle cases affecting the most vulnerable D.C. residents – children, the elderly and the infirm.

Topics addressed at the hearing included: the coordination between Family Court and the Child and Family Services Agency; the timeliness of the Family Court in meeting established timeframes for transferring and resolving cases; reports of client mistreatment, neglect, and other abuses by Probate Court-appointed conservators; the adequacy of protection of individuals' rights in the administration of guardianships and conservatorships; and administrative issues relating to the Office of the Register of Wills.

Stretching the Minutemen too Thin

On April 29th, the Committee reexamined issues facing the National Guard by focusing on the tension between the increased reliance on Guards in the war on terrorism and increased responsibilities of Guard units to their state's governors to provide forces for homeland security emergencies and other traditional state missions. While it is clear that the Army and Air National Guard personnel are making significant contributions to the nation's security, it is less clear that they are and will continue to be resourced and equipped to fulfill their massive federal

responsibilities, as well as the expressed needs of states.

New York Governor George Pataki and several state Adjutant Generals said their states would benefit if Congress amended Title 32, which governs domestic use of Guards, to allow Guard members to be put on federally funded duty orders for operational use to support domestic homeland security missions. In title 32, the soldiers remain under the command and control of the Governor and the Joint Force Headquarters.

Policy initiatives and plans for the use of National Guard troops in protecting the Homeland have not been approved by the Department of Defense. DOD has not fully defined requirements, readiness standards and measures for homeland defense and security missions it will lead or support, so Guard members' preparedness for these missions is unmeasured and unknown. As a result of the hearing, Assistant Secretary of Defense for Homeland Defense Paul McHale said the department would consider making the Homeland Defense plans public by June and stated that title 32 should possibly be altered.

The Lessons of Madrid

On April 29th, Chairman Davis wrote to Admiral David Stone, Acting Administrator of Transportation Security Administration (TSA), to express his support for the pilot Transit and Rail Inspection Program (TRIP) that is being tested at Maryland's New Carrollton rail station. While Chairman Davis is encouraged by this news, he requested additional information regarding the program, its testing, and implementation.

The terrorist bombings of Madrid's train system have exposed a potentially enormous hole in our nation's transportation security. The methods and technology used for airport screening are

impractical for rail security given the multiple points of entry and the high volume of passengers. The Committee applauds TSA for this undertaking and is interested in hearing how TRIP will address vulnerabilities at train and transit stations while recognizing their unique security requirements.

Where Did You Go to School?

As part of the Committee's ongoing inquiry into the use of bogus education credentials by federal employees, Chairman Davis sent an April 30th letter to OPM Director Kay Coles James commending the steps OPM is taking to address the "diploma mill" issue. But the Chairman also suggested that the primary focus should remain on defining what constitutes "legitimate educational achievement." To truly get a handle on this problem, the government needs a framework for distinguishing legitimate schools from illegitimate ones, a plan for tracking legitimacy over time, and a way to get this information to all federal employers.

Betting on Transparency

On May 5th, the Committee held a hearing on the status of the American Indian tribal recognition process administered by the Interior Department's Bureau of Indian Affairs (BIA). Tribes can achieve recognition either through the BIA regulatory process by meeting specified requirements, or through legislation.

The integrity of this process has come into question in two cases in Connecticut, where tribes were granted recognition despite failing to meet certain mandatory criteria. Recognition makes tribes eligible for federal funding for social

programs and exempts them from most state and local laws and regulations. Many witnesses argued that certain improvements should be implemented to improve transparency and accountability of tribal recognition decisions.

What's the Hold Up?

On May 6th, the Committee held a hearing to address the problem of security clearance backlogs for defense contractor personnel. The hearing focused on the causes of the backlogs, including the fact that a lack of full reciprocal recognition of clearances among agencies is a significant contributing factor; the impact of the backlogs on the contractor industry; its impact on national security; and possible solutions to the problem.

The Committee received a GAO report that outlines the problem of government and contractor security clearances. GAO found that the average number of days required to obtain a security clearance has steadily increased over the past few years: the 2001 average was 319 days; the 2002 average was 343 days; the 2003 average was 375 days; and the number is expected to grow this year. In the near future, the Committee hopes to make concrete recommendations to stem the numbers and timeframes for reducing this backlog.

The first step was a letter sent immediately after the hearing from Davis to Secretary Donald Rumsfeld asking DOD to take immediate steps to reduce the clearance backlog.

Upcoming Agenda

New Tactics for the War on Cancer

On May 13th, the Committee will conduct a hearing to examine the status of efforts to bring innovative cancer treatments to the mainstream patient population and discuss how to change the face of cancer into a more chronic and treatable disease.

Over half a million Americans die of cancer each year and approximately 1.2 million new cancer cases are diagnosed each year. These statistics suggest that new steps must be taken in the advancement of the war on cancer and new drugs and treatments must be developed. In order for oncologists to make accurate conclusions about an experimental drug's effects, the clinical trials require participation of numerous cancer patients. Currently, only 3% of adult cancer patients participate in cancer clinical trials.

The hearing will also consider the various factors contributing to this low participation in cancer clinical trials and what efforts are being taken to obtain reasonable participation levels.

Child Welfare Programs: A Case Study on the Need for Agency Reorganization

On May 20th, the Committee will evaluate the organization and effectiveness of federal efforts to promote the welfare of our Nation's youth and to combat child abuse and neglect. Unfortunately, federal funding for child abuse and neglect prevention is spread over dozens of often duplicative agencies and programs throughout the government, making it difficult to assess the actual impact of the billions of dollars the federal government spends annually on child welfare initiatives. The hearing will evaluate the

extent to which a reorganization of the federal programs and agencies involved in child abuse and neglect would improve the health and welfare of our children.

Lead in the Water, Take Two

On May 21st, the Committee will hold a hearing on the status of efforts to address the recent spike in lead levels in the District of Columbia's drinking water.

The Committee will examine the effectiveness of remediation efforts to date, and what further steps are planned. The Committee will also review recently introduced legislation to amend the Safe Drinking Water Act – asking whether the bill represents a premature “overreach” or whether it's a sensible reaction to the D.C. incident.

Death by Red Ink

On May 12th, the Committee will mark-up H.R. 2432, the Paperwork and Regulatory Improvements Act of 2003, which is designed to give Congress the tools it needs to more effectively curb growth in regulatory and paperwork burdens. In 1995, Congress amended the Paperwork Reduction Act and established annual government-wide paperwork reduction goals of 10 percent for each of fiscal years 1996 and 1997, and 5 percent for each of fiscal years 1998 through 2001, but the paperwork burden increased rather than decreased in each of those fiscal years.

In 2002, OMB estimated that the paperwork burden imposed on the public was 7.7 billion hours, at a cost of \$320 billion. In the current, highly competitive global marketplace American businesses need every advantage they can find. Reducing the burden of Government

interference will help create an economy that will compete with any on the planet.

Avoiding a Postal Service 'Death Spiral'

The U.S. Postal Service (USPS) is facing what GAO calls a "financial death spiral," unless major reforms are implemented. On May 12th, the Committee plans to mark up legislation based on the recommendations from the President's Commission on the Postal Service and the Committee's Special Panel on Postal Reform. These recommendations call for a restructuring of USPS operations to make it more efficient and help avoid frequent rate increases.

The bill gives postal management and employees the tools to adapt and survive in the face of enormous challenges caused by changing technology and a dynamic communications marketplace. Under the legislation, the Postal Service will compete on a level playing field, under many of the same terms and conditions faced by its private sector competitors, albeit with stronger controls, oversight, and limitations in recognition of its governmental status. These tools will help USPS avoid its impending financial disaster.

SARA Goes to ASIA

Acquisition reform may not be the sexiest issue, but it's key to the effective and efficient operation of the federal government. Later this month, Chairman Davis intends to mark up new acquisition legislation, H.R. 4228, the Acquisition Systems Improvement Act (ASIA), which includes some of the provisions in the Services Acquisition Reform Act (SARA) that were not incorporated into the FY2004

DOD Authorization Act. The bill includes an Acquisition Corps program for the exchange of acquisition professionals between the federal government and participating private-sector concerns, an expanded Share-in-Savings program, and other measures to streamline the acquisition process.



**Subcommittee on
Energy Policy,
Natural Resources &
Regulatory Affairs**

On April 20th, the Subcommittee held its annual paperwork reduction hearing. Witnesses included the OMB's Office of Information and Regulatory Affairs Administrator John Graham and Treasury's new IRS Commissioner Mark Everson. IRS accounts for over 80 percent of all government-imposed paperwork. The President's January 2004 6-point economic plan includes "streamlining regulations and reporting requirements." Both witnesses provided details on paperwork reduction accomplishments since last April and the plans for the rest of the year, including how to accomplish the paperwork reduction component in the President's plan.

On April 22nd, Chairman Ose submitted a 9-page comment letter to OMB on its draft seventh regulatory accounting statement and associated report, which was required to be submitted in final form with the President's fiscal budget.

On May 5th, the Subcommittee held a hearing on the Administration's response to wildland fires in the West. The hearing examined the Administration's various administrative and regulatory changes to implement its Healthy Forests Initiative and the Healthy Forests Restoration Act.

In May, the Ose Subcommittee will hold a field hearing in Las Vegas to discuss options to address high gasoline

prices in the West. Presently, demand for gasoline in the West is increasing but the supply of gasoline, especially for customized blends, may not be able to keep pace. The Subcommittee will also hold a hearing on maximizing private sector participation in transportation.



Subcommittee on Civil Service & Agency Organization

The Subcommittee on Civil Service and Agency Organization, chaired by Congresswoman Jo Ann Davis (R-VA), continued its work on a number of fronts in April.

The Subcommittee intends to hold a hearing in the near future examining federal hiring practices, in an attempt to streamline the process and enable the government to fill open spots more quickly. Subcommittee staff attended an Office of Personnel Management jobs fair in New York City, meeting with Director Kay Coles James and her senior staff, as well as with federal job applicants. Staff also met with the General Accounting Office to discuss the GAO's ongoing work for the upcoming hiring hearing.

The Subcommittee continues to follow-up on its March hearing looking into the chaotic organization of the government's food-safety agencies. Chairwoman Davis continues to build support for legislation she introduced, H.R. 2743, "The Government Accountability and Streamlining Act," which is designed to prevent unnecessary overlaps in government programs.

Finally, Chairwoman Davis has been working on two issues of particular importance to federal employees: improving dental, vision and hearing benefits offered through the Federal Employees Health Benefits Program, and examining the government's intention to begin offering Health Savings Accounts.



Subcommittee on National Security, Emerging Threats & International Relations

In April, the National Security Subcommittee held the first House hearing on the controversial U.N. Oil-for-Food program to examine allegations of corruption and kickbacks that may have netted Saddam Hussein's regime more than \$10 billion. A British advisor to the Iraqi Governing Council described efforts to examine program records despite apparent opposition from the Coalition Provisional Authority.

A hearing and closed briefing were also held to track progress implementing new security standards at DOE nuclear weapons facilities. This was a follow-up to a June 2003 Subcommittee session on post 9-11 threat assessments at aging and vulnerable weapons labs and storage facilities.

In May, the Subcommittee will continue oversight of DOE nuclear security with a hearing on efforts to address vulnerabilities at non-weapons sites that house materials that could be attractive to terrorists seeking to construct an improvised nuclear device or radiological weapon. Testimony will also be heard from Reservists and National Guard members on combat deployment procedures and lessons learned to improve training and readiness for changing missions.



Subcommittee on Government Efficiency & Financial Management

Chairman Todd Platts hosted a field hearing in York, Pennsylvania, reviewing efforts to reduce payment errors in federal programs – estimated to be more than \$35 billion annually. The Tax Day

hearing convened OMB officials, GAO, taxpayer advocates from Citizens Against Government Waste and the National Taxpayers Union to examine the root causes of improper payments (inadequate accounting systems, poor internal controls, and outdated computer systems) and efforts to correct these problems.

The Subcommittee focused on management and strategic planning at the SEC during a field hearing in New York City on April 20th. An effective strategic focus is critical as the SEC responds to corporate accounting scandals and the mutual fund crisis. Witnesses, including New York Attorney General Eliot Spitzer and Vanguard Fund Founder John Bogle, reiterated that the appropriate allocation of resources is critical – especially with the substantial budget increase and new human capital management tools granted by Congress.

On May 12th, the Subcommittee will examine financial management at NASA, where recent audits have revealed serious accounting problems. NASA is in the process of a \$900 million systems overhaul to revamp its business processes, including a new Core Financial Module implemented in July of 2003. The hearing will focus on why the auditor was unable to provide assurance as to the reliability of NASA's financial information and why statements were not prepared on time. Given that the new Core Financial Module was in place before the audit and did not function as envisioned, the Subcommittee will also look at how NASA is managing the systems overhaul – its third attempt to modernize business processes.

A joint hearing in early June will focus on the Department of Defense's Business Management Modernization Project, an ambitious re-engineering that will include an overhaul of the Department's financial management. DOD has longstanding accounting problems, and its financial statements –

representing more than 50% of discretionary spending – have never earned an unqualified or “clean” audit opinion. Poor financial management can negatively impact DOD's mission, as evidenced by recent National Guard pay problems.



**Subcommittee on
Technology, Information
Policy, Intergovernmental
Relations & the Census**

During the month of April, the Subcommittee continued to diligently pursue its oversight responsibilities, including another series of oversight hearings on the subject of computer information security. Subcommittee staff participated in a number of meetings and conferences on the issues of cyber security and electronic government. Additionally, staff continued to meet with various agencies regarding their annual scorecard result and progress achieved under the requirements of the Federal Information Security Management Act (FISMA).

Chairman Putnam spoke at the 2nd Anniversary celebration of GovBenefits.gov and the significant achievements in providing comprehensive access to American citizens about government benefit programs and eligibility requirements, in accordance with the goals and objectives of federal e-government initiatives. Subcommittee staff also was particularly engaged in matters related to the planning for the 2010 Census and full implementation of the American Community Survey.

The Subcommittee continues its preparation for an aggressive oversight hearing schedule during the upcoming months prior to the summer recess. Additionally, the Subcommittee welcomed two new staff members, Shannon Weinberg and Dan Daly.



**Subcommittee on
Criminal Justice,
Drug Policy and
Human Resources**

The subcommittee held hearings on April 1st and 21st to discuss the counter-narcotics efforts in Afghanistan. The April 1st hearing focused on the performance of the British-led effort in Afghanistan regarding the manual eradication of opium poppy. On April 21st, the hearing investigated the use of the DOD counter-narcotics budget, especially in regard to counter drug efforts in Afghanistan.

According to data and maps provided to the Subcommittee by a U.S. intelligence agency, Afghan opium poppy cultivation is soaring, and may reach the highest level of past production. This is a grave concern because over 20,000 Americans die every year from drugs, and 7-10 percent of heroin sold in the U.S. is traced to the Afghan region.

This unprecedented opium cultivation is known to fund, at least in part, anti-democracy groups in Afghanistan, as well as international terrorist activities. The United Nations Office on Drugs and Crime (UNODC) has conducted annual opium poppy surveys in Afghanistan since 1994. The 2003 Survey shows that Afghanistan again produced three-quarters of the world's illicit opium last year, resulting in income to Afghan opium farmers and traffickers on the order of \$2.3 billion, a sum equivalent to half the legitimate GDP of the country. The UNODC concluded that "out of this drug chest, some provincial administrators and military commanders take a considerable share... Terrorists take a cut as well... the longer this happens, the greater the threat to security within the country and on its borders."

The subcommittee also began what we hope to be a continuing conversation with Abbott Labs and Hoffman-La Roche

regarding their funding of "Harm Reduction" organizations, and co-sponsorship of this year's 5th National Harm Reduction Conference. Letters were sent to both companies on April 14 questioning their involvement in funding this conference, which is largely a gathering of pro-marijuana groups with legalization as their goal. In addition, on April 1st, the subcommittee held a hearing titled, "Marijuana and Medicine: The Need for a Science-Based Approach" which sought to establish the harmful effects of marijuana and its "medicinal" derivatives.

In keeping with the marijuana theme, the subcommittee hosted a briefing titled, "Learn the Facts About the Dangers of Marijuana Abuse." Representatives of the Office of National Drug Control Policy (ONDCP) and the American College of Emergency Physicians made a compelling case for well-informed federal policy regarding marijuana use – namely, that marijuana use is very dangerous and has many health risks.

An April 26th hearing explored the factors that make a faith-based organization uniquely qualified and effective in providing social services. (Effectiveness issues include qualifications of personnel, range of services, inclusion of religious content, methods of evaluation.)

Similarly, on April 30th, a letter was sent to FEMA regarding their refusal to provide disaster relief to the Hebrew Academy of Seattle, Washington, a school that qualifies as a faith based organization. As of yet, no response has been received.

Finally, a number of meetings and on-site visits with various National Parks in Seattle, Washington and Fredericksburg, Virginia were conducted by committee staff regarding the preservation historical sites.

On May 11th, the Subcommittee will hold a hearing titled, "Terrorist Financing and Money Laundering

Investigations: Who Investigates and How Effective Are They?” On May 18th, the Subcommittee will hold a hearing regarding erroneous HIV and hepatitis C test results that may have been given to thousands of patients at Maryland General Hospital.



Subcommittee on Human Rights and Wellness

As part of his ongoing investigation into the autism epidemic, Congressman Dan Burton (R-IN), Chairman of the U.S. House Government Reform Subcommittee on Human Rights & Wellness, convened a hearing to further examine the Federal government’s progress in their effort to eradicate autism.

The oversight hearing, entitled “Autism Spectrum Disorders: An Update of Federal Government Initiatives and Revolutionary New Treatments of Neurodevelopmental Diseases,” was held on Thursday, May 6th.

In addition, the Subcommittee examined groundbreaking new treatments that are being shown to improve the medical condition of children and adults afflicted with autism.

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